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MEASUREMENT OF ECONOMIC ACTIVITY IN POPULATION CENSUSES

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INTRODUCTION

1. Data on economic activity is an essential part of any statistical programme, particularly in developing countries where there is often little or no information on the number and characteristics of available manpower, and also no reliable projections of the future supply of manpower.

2. Household labour force surveys provide a means of intensively studying this area of interest, but questions on economic activity should be included in population censuses in order to provide infrequent benchmark data, even if there is a regular programme of labour force surveys in the country.

3. Some countries do not have a regular programme of labour force surveys and, for these countries, the population census may be the only opportunity to obtain economic activity data covering the whole population.

4. Population censuses also provide the opportunity to collect finely classified and small area data on the economically active population. Such data cannot be reliably obtained from sample household surveys without using very large and expensive sample sizes.

PREVIOUS APPROACHES TO THE MEASUREMENT OF THE ECONOMICALLY ACTIVE POPULATION

5. Previous statistical collections have used various approaches to the measurement of the economically active population. A useful overview of the various approaches is given in the paper (ESA/STAT/AC.24/2) prepared for the Expert Group on the 1990 World Population and Housing Census Programme and held in New York in November 1985.

6. Appendix A (taken from the Expert Group paper) shows how African countries have used these different approaches in their questions on economic activity in recent censuses. (1) This topic will be considered in a little more detail later in this paper.

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(1) A number of countries did not distinguish unemployed persons who have never worked before from those who had worked previously. This difference is important because the policy issues and solutions appropriate to one group may not be appropriate to the other. Those who have never worked before may require additional vocational training in order to improve their chances of finding employment. They are also likely to be unemployed youth, a category of considerable interest to many governments.

7. The most common recent approach to the measurement of the economically active population has been the "labour force" approach and the above mentioned paper also points out the following limitations of that approach: "First, the notion of seeking work (when defining unemployment) is not applicable in the agricultural and informal sectors of developing countries. Moreover, in many areas, people must create for themselves some work to make a living since they are neither fully employed nor fully unemployed. Second, the economic role of women is not treated adequately and consequently, the measurement of female labour force is subject to a wide margin of error and incompleteness."

8. In addition, the status of some special groups (such as students, unpaid family workers, defence force personnel, and apprentices) has been treated differently in the various approaches, and has also been subject to criticism.

REVISED STANDARDS FROM 13th ICLS

9. As a result, efforts have been made to modify and reformulate the "labour force" approach in various ways, including the introduction of the concept of under-employment, and to adopt a consistent treatment of the special groups mentioned above.

10. At the 13th International Conference of Labour Statisticians (ICLS) organised by the International Labour Office in Geneva in October 1982, a resolution was passed concerning statistics of the economically active population, employment, unemployment and under-employment.

11. These new standards have been generally adopted and are recommended for use in the 1990 round of population and housing censuses.

DEFINITION OF ECONOMIC ACTIVITY

12. Under the 13th ICLS Resolution, "economic activity" is defined as:

"(a) all production and processing of primary products, whether for the market, for barter or for own consumption;
(b) the production of all other goods and services for the market, and
(c) in the case of households which produce such goods and services for the market, the corresponding production for home consumption". (Para. 5, Resolution I of 13th ICLS.)

13. Any paid employment for cash or kind, or any self employment for profit or gain in cash or kind is therefore included as "economic activity".

14. As stated in Rao and Jehran (1984), the definition also implies that unpaid household work is considered as "economic activity" if it is related either to a household enterprise producing wholly or partly for the market, or to any agricultural or allied activity, even if the production is wholly for own or household consumption. This means that "economic activity" includes wood cutting for own use, producing vegetables for own use and processing primary products for own use (such as making cheese for own use or weaving mats for own use), as well as of course any unpaid work for a household enterprise producing for the market.

15. On the other hand, non primary production and service activities are not considered to be economic activities unless they are carried out in conjunction with similar activities for the market. Therefore, cooking food, washing clothes and teaching own children are not economic activities unless performed in conjunction with similar activities for the market.

16. This definition needs to be carefully communicated to census enumerators so that they can extract and correctly interpret the responses of householders. Whereas this can be done in sample surveys by detailed questioning, this is naturally not feasible in a population census and we must rely more on correct instructions in the enumerator's manual and through adequate enumerator training.

THE ECONOMICALLY ACTIVE POPULATION - "USUAL" AND "CURRENT"

17. The 13th ICLS resolution also defines the economically active population and distinguishes between the "currently active population" (measured in relation to a short reference period such as one week or one day) and the "usually active population" (measured in relation to a long reference period such as one year).

A. Currently active population

18. The "currently active population", also called the labour force, is based on the current activity status of the population. It comprises all persons who fulfil the requirements for inclusion among the "employed" or "unemployed" as defined below (Source: Resolution 1 of the 13th ICLS, Geneva, 1982).

19. "The employed comprise all persons above a specified age who during a brief period, either one week or one day, were in the following categories.

(a) "paid employment":

(a1) "at work": persons who during the reference period performed some work for wage or salary, in cash or kind.

(a2) "with a job but not at work": persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job.

This formal attachment should be determined in the light of national circumstances, according to one or more of the following criteria:

(i) the continued receipt of wage or salary.

(ii) an assurance of return to work following the end of the contingency, or an agreement as to the date of return.

(iii) the elapsed duration of absence from the job which, wherever relevant, may be that duration for which workers can receive compensation benefits without obligations to accept other jobs.

(b) "self-employment":

(b1) "at work": persons who during the reference period performed some work for profit or family gain, in cash or kind.

(b2) "with an enterprise but not at work": persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.

20. The unemployed comprise all people above a specified age who during the reference period were:

(a) "without work", i.e. were not in paid employment or self-employment, as defined above;

(b) "currently available for work", i.e. were available for paid employment or self-employment during the reference period, and

(c) "seeking work", i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange, application to employers, checking at worksites, farms, factory gates, market or other assembly places, placing or answering newspaper advertisements, seeking assistance of friends or relatives, looking for land, building, machinery or equipment to establish own enterprise, arranging for financial resources; applying for permits and licences, etc.

21. The Resolution goes on to qualify the definition of unemployed by adding that "in situations where the conventional means of seeking work are of limited relevance, where the labour market is largely unorganised or of limited scope, where labour absorption is, at the time, inadequate, or where the labour market is largely self-employed, the standard definition of unemployment given above may be applied by relaxing the criterion of seeking work".

22. When applying the definition, the criterion relating to the availability for work should also be tested in the national context. National tests may relate to the present desire for work and previous work experience, willingness to take up work for wage or salary on locally prevailing terms, or readiness to undertake self-employment activity given the necessary resources and facilities.

23. People who are without work and available for work in the reference period but have already made arrangements to take up paid employment or undertake self-employment activity after the reference period should be considered as unemployed.

24. People who are temporarily absent from their jobs but with no formal job attachment and who are also available to work and seeking work should be treated as unemployed, except that, as stated above, some countries may wish to relax the seeking work criterion. In this case, those not seeking work should be identified as a separate category where possible.

7. Usually active population

25. The "usually active population" is intended to be used when the intention is to reflect the dominant pattern of activity and when there is a significant seasonal pattern of activities. The "usually active population" comprises all persons above a specified age whose main activity status, as determined in terms of the number of weeks or days during a long specified period (such as the preceding 12 months or the preceding calendar year) was "employed" or "unemployed" as defined above.

26. The ICLS Resolution adds that "where this concept is considered useful and feasible, the usually active population may be subdivided as employed and unemployed in accordance with the main activity".

27. The definitions of "employed" and "unemployed" are expressed in terms of activity during a reference week or day, and the "usually active" concept can therefore be seen as summarising the variable status of each person throughout the 52 weeks or 365 days comprising the long reference period. The usual activity status could be different for the same person depending on whether the determination of the status is based on weeks or days.

29. It may be useful to summarise the classification of the population according to economic activity status at this point:

TOTAL POPULATION

- UNDER x YEARS
- x YEARS OR MORE
  - USUALLY ECON.ACTIVE
    - EMPLOYED
    - UNEMPLOYED
  - USUALLY ECON. INACTIVE
    - STUDENTS
    - HOUSEWIVES
    - INCOME RECIPIENTS
    - OTHERS

30. The ICLS Resolution also dealt with the special groups already mentioned. Unpaid family workers are treated as in self-employment irrespective of the number of hours worked in the reference period. The following are treated as in paid employment: apprentices receiving pay in cash or kind, working students and members of armed forces. The unemployed includes students seeking work and temporarily laid-off persons seeking or available for work.

TREATMENT OF DEFENCE FORCE PERSONNEL

30. A special comment may be required on the members of armed forces. Some countries in Africa continue to exclude defence force personnel from the statistics of the economically active population. (The participants in the Working Group may wish to discuss the treatment of armed forces in their countries.) The ILO recommends that defence force personnel be included in the economically active population.

31. The defence force personnel need not be separately identified. Indeed in some countries, government policy may prevent the separate identification of defence force numbers on the grounds of national security.

32. Separate identification can be avoided, for example, by grouping the armed forces with other government employees and by using the International Standard Classification of Occupations (ISCO) so that people are classified according to their actual duties (e.g. engineers in the army may still be classified as engineers).

MINIMUM AGE LIMIT FOR QUESTIONS ON ECONOMIC ACTIVITY

33. The concepts of "employed" and "unemployed" are expressed in terms of persons above a specified age. Appendix A also shows the minimum ages for questions on economic activity as used in recent African censuses.

34. This is an issue upon which the ILO has no standard, although it would seem that the minimum age should not exceed 15 years. Nevertheless, the 13th ICLS Resolution points out that it may be necessary to collect additional data on children and the youth below the specified minimum age limit which a country has adopted for measuring the economically active population. This additional data may be used to study the transition from learning to earning activities.

35. As a guideline, individual countries should decide upon the minimum age limit with due regard to users' needs, consistency with related statistics in the country, child labour practices, labour legislation and so on. In order to facilitate international comparability, countries using a minimum age limit below 15 years should ensure that separate results are available for the population aged below 15 years and those aged 15 years or more.

CENSUS QUESTIONS TO MEASURE ECONOMIC ACTIVITY

36. From the above discussion it may be clear that the questions which would be required in order to measure the "usual" concept would not be trivial. It is necessary to ask questions in such a way that one can determine the number of weeks (or days) for the various activities and thence arrive at the predominant one.

37. It might be useful at this point to consider how the economic activity questions have been asked in some recent African population censuses. The questions used in the population censuses of Zimbabwe, Mauritius and Tanzania are shown in Appendix B, and the working group may wish to discuss these or their own census questions on economic activity.

38. The Census questions often attempt to appear simple by asking only one or two brief questions. However, the simplicity is often deceptive for several reasons:

(a) The complexity of the coded responses may show that three or even more questions are being implicitly asked, and

(b) Economic activity concepts are not easily summarised in a few words. Brief questions risk being misunderstood.

39. As an example, consider the question "What is your economic status?" and the following response codes -

Wage and salary - Permanent employment
ditto - Temporary employment
ditto - Casual employment

Own account enterprise or shamba
Family work including shamba
Not applicable
Not stated

This question is simple only in appearance. It requires that the interviewer probe to determine if the person is in paid employment or in self-employment. If in paid employment, the interviewer needs to ask if the job is "permanent" or "temporary". (It is not clear as to how "casual" employment is distinguished from "temporary" employment. That may have appeared in the interviewer's manual.) If in self-employment, the interviewer needs to distinguish own account work from family work (even though family work is a subset of own account enterprise work). The apparently duplicated code for "shamba" (or farm) also would need to be accommodated.

40. There would appear to be three main approaches:

(a) the "current activity status" in which employment and then unemployment take priority over non economic activity in respect of the last week or similar recent period. (For example Ghana 1982, Zimbabwe 1982, Malawi 1977, Lesotho 1976 and 1986, Mauritius 1983 using one week period, and Gambia 1983 using one month reference period.)

(b) a similar approach in respect of the last year for similar long reference period). This sort of approach might include a question as to whether the person has had <u>any</u> employment or any regular employment in the last year (Sierra Leone 1985)

(c) questions relating to the "main (or usual) activity during the last 12 months". (For example Tanzania 1978, Liberia 1984).

41. It is important to note that the concept in (c) ("main or usual activity during the last 12 months") is not the same as the "usual activity" concept as defined in the 13th ICLS Resolution. For example, a person who was student for five months continuously, then unemployed for three months followed by four months continuous employment would say that he was "mainly a student" in the last 12 months, whereas in terms of the "usual activity status", he was part of the usually economically active population, and within that was usually employed.

42. A reference period for the questions on economic activity is essential. (At least one country census questionnaire did not show any reference period when asking the economic activity questions, but this might have been covered in the enumerators manual.)

43. Countries will need to decide whether to use one day or one week as the reference period for establishing current economic status, and will also need to decide as to whether to measure the "usually active" or "currently active" population (or both).

44. Appendix C includes two sets of questions - one to determine "usual" activity status and the other set to determine "current" activity status. These are shown as a basis for discussion. It is appreciated that fewer questions would be preferred for a population census, and that countries may not require the detail shown.

ADDITIONAL DATA ITEMS TO BE INCLUDED

45. This paper has concentrated on the measurement of economic activity status. However, it should be added that data of activity status will be more useful when supplemented with other relevant data, particularly data on occupation, industry and employment status (employee, employer etc.).

46. These data items should be collected for the employed in respect of their main job (if more than one) and for the unemployed in respect of their last job (if any).

47. Other important data items to be collected include sex, age, location, highest educational qualification (if any), and type of training, (if any). Some users may also wish to have information on marital status, migration status, health status, income, etc.

SUMMARY

48. This paper has attempted to describe the latest international standards on the measurement of economic activity and to propose (for the purposes of discussion) some draft questions on this topic.

49. The Working Group may wish to discuss methods of adapting the draft questions to suit their purposes and user needs and/or to discuss the suitability of the revised standards in their countries.

REFERENCES

United Nations: Papers prepared for Item 4(a) of the Expert Group on the 1990 World Population and Housing Census Programme, New York, 11-15 November 1985;

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